



THOMAS G. SHACK III, ESQ.  
COMPTROLLER

# Commonwealth of Massachusetts

## OFFICE OF THE COMPTROLLER

ONE ASHBURTON PLACE, 9<sup>TH</sup> FLOOR  
BOSTON, MASSACHUSETTS 02108  
TELEPHONE (617) 727-5000  
WWW.MASS.GOV/COMPTROLLER

**MMARS Policy: Payroll**

**Issue Date: July 1, 2004**

**Date Last Revised: October 16, 2008**

## Wage Reporting: Year End W-2 Processing

### Executive Summary

Once an employer has paid wages that are taxable to an employee in a calendar year, the employer must report to the employee the taxable amounts paid and any tax withheld so the employee can file their individual income tax returns. These amounts must also be reported to the Department of Revenue and the Social Security Administration (SSA) so an employee's earnings and benefit accounts can be properly credited. The SSA shares employee earnings and tax information with the IRS.

### Considerations

This policy applies to all Commonwealth Branches and Departments.

### Policy

The employer reports Forms W-2, Wage and Tax Statements to the SSA, and the state and local taxing agencies. Commonwealth departments are responsible for validating the social security and work eligibility information (see Comptroller Policies on Employer Relationships). The deadline for issue of a Form W-2 is January 31<sup>st</sup> of the following year.

### Distribution of Form W-2

The Commonwealth's policy is to mail Form W-2's to employees at their home addresses. When an employer is unable, after a reasonable effort, to deliver an employee's Form W-2, the employee's Department is required to keep those copies for four years. Mailing the Form W-2 to an employee's last known address is considered a reasonable effort to make delivery. Employee Form W-2's are available on ViewDirect/DocumentDirect for a period of 7 years.

To ensure proper delivery of Form W-2's, payroll managers must verify that employees' home addresses are accurately recorded in the payroll system prior to W-2 processing. Undeliverable Form W-2's will be returned to the employee's Department, and the Department's Payroll Director is responsible for distributing them to employees. If the employee worked for multiple state Departments during the tax year, the undeliverable W-2 will be returned to the last Department associated with the most recent "active job". If there are multiple jobs, the most recent "job action" will become the selection criteria.

### Reissued Form W-2

If an employee loses a Form W-2 or it is destroyed, the employee's Department will reprint Form W-2 using Document Direct. In order to print W-2s in your Department, the "forms" versions of Document Direct for Windows is required.

## **Form W-2 Corrections**

There are two types of corrections that can be made to a Form W-2, Non-Financial and Financial. Non-Financial corrections are necessary when the employee's name, social security number or address is incorrect on the Form W-2. Financial corrections are necessary when the employee has incorrect wage or tax information on the Form W-2.

## **Non-Financial W-2 Corrections**

If the Department or employee determines that the name or social security number, on an employee's Form W-2 is incorrect, the Department must correct the error in HR/CMS and submit a Form W-2C to the Office of the Comptroller. The Office of the Comptroller will file the Forms W-2C and W-3C with both the Social Security Administration (SSA) and the Department of Revenue (DOR) on behalf of the employee. Please refer to the IRS Instructions for Forms W-2C for more detailed guidance on non-financial W-2 corrections. If the change affects non-financial information, a W-3C is not required.

## **Financial W-2 Corrections**

If the Department or employee determines that the wage or tax information on an employee's Form W-2 is incorrect, the Department must submit a Form W-2C and Form W-3C (Transmittal of Wage and Tax Statements) to the Office of the Comptroller. The Office of the Comptroller will make the necessary changes in HR/CMS and forward the Forms W-2C and W-3C to SSA and DOR on behalf of the employee. Blank Forms W-2C and W-3C are available at any IRS location and the John F. Kennedy Building, Government Center, Boston, MA.

Electronic fill-in versions of Forms W-2C and W-3C are available on the American Payroll Association Website (<http://www.americanpayroll.org>).

## **Internal Controls**

See [Best Practices For Payroll](#).

## **Information Sources**

Related Procedure – None

- Legal Authority
- 26 USC §6051
- 26 USC §31.6051 – 1(d)(1)
- Massachusetts General Laws, Chapter 7A, Sections 3, 7 and 8
- Massachusetts General Laws, Chapter 58, Section 28B
- Massachusetts General Laws, Chapter 62B, Section 5
- Form W-2 and Instructions
- Form W-2c and Instructions
- Form W-3c and Instructions
- Attachments - None
- Links - None
- Contacts – [CTR Help Desk](#) 617-973-2468
- [Comptroller Web Portal Homepage](#)

## **Revisions**

**October 17, 2008** – Added Department's responsibility to verify SSN and work eligibility.

**November 1, 2006** – Removed language referencing Knowledge Center and updated relevant links to Mass.gov/osc portal site.